

Financial Statements and Report of
Independent Certified Public
Accountants

**Associated Students of San Francisco State
University (a California State University
Auxiliary Organization)**

June 30, 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities and Change in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8-17
Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	18-19
Schedule of Findings and Responses	20-21
Supplementary Information	
Schedule of Net Position	23-25
Schedule of Revenues, Expenses, and Change in Net Position	26
Other Information	27-34

GRANT THORNTON LLP

101 California Street, Suite 2700
San Francisco, CA 94111

D +1 415 986 3900

F +1 415 986 3916

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Associated Students of San Francisco State University

Report on the financial statements

We have audited the accompanying financial statements of Associated Students of San Francisco State University (Associated Students) (a California State University Auxiliary Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Associates Students' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Associated Students' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of San Francisco State University (a California State University Auxiliary Organization) as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

As discussed in Note 16, the 2019 summarized financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other matters*Supplementary information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 23-34 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on 2019 summarized comparative information

We have previously audited the Associated Students' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2019. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived, as restated, as discussed above.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 6, 2020, on our consideration of the Associated Students' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Associated Students' internal control over financial reporting and compliance.



San Francisco, California
October 6, 2020

Associated Students of San Francisco State University

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 (with comparative totals for June 30, 2019)

	2020	Restated 2019
Assets		
Cash and cash equivalents	\$ 139,988	\$ 3,856,080
Short-term investments	19,125,524	13,774,364
Long-term investments	413,471	525,089
Accounts receivable, net of allowance for doubtful accounts	244,505	605,407
Student activity fees receivable	3,123,238	3,297,161
Prepaid expenses and other assets	1,815	1,650
Property and equipment, net	53,733	81,621
Capitalized leasehold improvements, net	141,475	234,088
Total assets	\$ 23,243,749	\$ 22,375,460
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 335,060	\$ 547,877
Accrued vacation	300,670	202,241
Deferred revenue	95,220	175,045
Employee benefits payable	5,634,574	5,084,302
Total liabilities	6,365,524	6,009,465
Net assets without donor restrictions	16,878,225	16,365,995
Total liabilities and net assets	\$ 23,243,749	\$ 22,375,460

The accompanying notes are an integral part of these financial statements.

Associated Students of San Francisco State University

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended June 30, 2020 (with comparative totals for June 30, 2019)

	2020	Restated 2019
Revenue and Support:		
Contribution and grants	\$ 664,067	\$ 1,029,275
Student activity fees	6,787,049	6,728,225
Program fees	1,018,298	1,288,591
Investment return, net	472,094	454,941
Total revenue and support	8,941,508	9,501,032
Expenses:		
Student services	3,786,212	3,640,298
Student government	664,949	593,336
Community services	699,793	550,445
Student organizations	317,254	253,830
Management and general	3,137,976	3,582,985
Total expenses	8,606,184	8,620,894
Change in net assets without donor restrictions from operations	335,324	880,138
Change in employee benefits liability	176,906	(391,379)
Change in net assets without donor restrictions	512,230	488,759
Net assets without donor restrictions, beginning of year, as previously reported	16,365,995	18,962,883
Prior period adjustment	-	(3,085,647)
Net assets without donor restrictions, beginning of year, as restated	16,365,995	15,877,236
Net assets without donor restrictions, end of year	<u>\$ 16,878,225</u>	<u>\$ 16,365,995</u>

The accompanying notes are an integral part of these financial statements.

Associated Students of San Francisco State University

STATEMENTS OF CASH FLOWS

Year ended June 30, 2020 (with comparative totals for June 30, 2019)

	2020	Restated 2019
Operating Activities:		
Change in net assets without donor restrictions	\$ 512,230	\$ 488,759
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation and amortization	120,501	102,052
Net realized and unrealized (gain) loss on investments	(2,855)	1,084
Change in employee benefits liability	(176,906)	391,379
Changes in:		
Receivables, net	534,825	(117,381)
Prepaid expense and other assets	(165)	2,935
Accounts payable and accrued expenses	(114,387)	(90,599)
Employees benefits payable	727,178	599,271
Deferred revenue	(79,825)	(52,832)
Net cash provided by operating activities	1,520,596	1,324,668
Investing Activities:		
Purchase of investments	(6,232,404)	(1,174,790)
Proceeds from sale of investments	995,716	179,140
Purchase of property, equipment and leasehold improvements	-	(171,233)
Net cash used in investing activities	(5,236,688)	(1,166,883)
Increase (decrease) in cash and cash equivalents	(3,716,092)	157,785
Cash and cash equivalents, beginning of year	3,856,080	3,698,295
Cash and cash equivalents, end of year	\$ 139,988	\$ 3,856,080

The accompanying notes are an integral part of these financial statements.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 - ORGANIZATION

The Associated Students of San Francisco State University (the "Associated Students") is a not-for-profit organization that functions as an auxiliary organization for San Francisco State University (the "University"). The Associated Students operates student programs and activities for the benefit of the students of the University. Such programs and activities are funded primarily from student activity and program fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Description of Net Assets

The financial statements of the Associated Students are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and the accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting purposes into funds that are in accordance with specific activities or objectives. For financial statement purposes, all financial transactions are reported by the following classes of net assets as prescribed for not-for-profit organizations by the Financial Accounting Standards Board ("FASB"):

Net Assets without Donor Restrictions - Net assets consist of all resources of the Associated Students that are not subject to donor-imposed restrictions. Net assets without donor restrictions are available to support all of its programs, activities, facilities and operations.

Net Assets with Donor Restrictions - Net assets with donor-imposed restrictions are subject to donor and grant imposed stipulations. Some donor restrictions are temporary in nature; when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets are released from restriction. At June 30, 2020, the Associated Students did not have any net assets with donor restrictions.

Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Associated Students do not have any net assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Associated Students.

Revenue Recognition

In 2020, the Associated Students adopted Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as management believes the standard improves the usefulness and understandability of the Associated Students' financial reporting. The Associated Students adopted this guidance on a modified prospective basis.

Contribution and grant revenue is recognized when cash, securities, other assets, a promise to give, or a notification of beneficial interest is received unconditionally. Conditional contributions received are accounted for as a liability, until conditions are met, at which point the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditions must have both:

- One or more barriers to overcome before a recipient is entitled to the assets transferred or promised; and

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

- A right of return to the provider for assets transferred (or for a reduction, settlement, or cancellation of liabilities), or a right of release of the promisor from its obligation to transfer assets (or reduce, settle, or cancel liabilities).

At June 30, 2020, the Associated Students had outstanding conditional grants totaling \$632,150, of which \$62,198 has not been recognized in the accompanying statements of activities and change in net assets because the conditions on which they depend have not yet been met.

Contribution and grants are reviewed for restrictions imposed by donors to determine if the contribution or grant should be classified as net assets with donor restrictions or net assets without donor restrictions. The Associated Students report donor-restricted contributions whose restrictions are met in the same reporting period as revenue recognized as support within net assets without donor restrictions.

The Associated Students recognizes student activity fees revenue as it is earned and is recorded by the University as a payable. The Associated Students records revenue monthly by the semester it is associated with and records a receivable from the campus. The Associated Students is required under Title 5 Section 42403(a) of the California Code of Regulations, to have the student activity fees retained by the University in a campus trust account. Periodically, the Associated Students may request reimbursement. At June 30, 2020 and 2019, the student activity fees receivable was \$3,123,238 and \$3,297,161, respectively.

Program revenue are fees the Associated Students receives for providing childcare, room scheduling/meetings, Farmers Market and other activities. The fees are collected by the Associated Students and recognized when earned.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Associated Students considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash on hand and cash in banks.

Investments

Investments are carried at fair value. Investments consist of funds invested in the Local Agency Investment Fund ("LAIF") and debt securities with interest and realized and unrealized gains and losses reflected in the statement of activities and change in net assets.

Fair Value Measurement

The Associated Students carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Associated Students classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data. The Associated Students has no Level 3 investments at June 30, 2020.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

Accounts Receivable, net

Accounts receivable includes amounts due from the Early Childcare Education Center, San Francisco State University and a note receivable assumed from the merger of the Cesar Chavez Student Center and the Associated Students of San Francisco. Accounts receivable of \$244,505 at June 30, 2020, is shown net of an allowance for uncollectible accounts of \$6,600.

Property and Equipment and Capitalized Leasehold Improvements

Property and equipment are capitalized at cost when purchased, or if donated, at estimated fair market value at the date of donation. Depreciation has been calculated using the straight-line method over the estimated useful life of the assets, ranging from three to ten years. Capitalized leasehold improvements are amortized over the lesser of their service life or remaining lease term.

Income Taxes

The Associated Students is a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3) and the California tax code. The Associated Students follows the guidelines of the FASB Accounting Standards Codification ("ASC") Topic 740 for accounting for uncertainty in income taxes. At June 30, 2020, management evaluated the Associated Students' tax positions and concluded that the Associated Students had maintained its tax exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The open tax years are generally the years ended June 30, 2015 through June 30, 2019 for federal tax purposes and the years ended June 30, 2014 through June 30, 2019 for California tax purposes.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services that are benefited based on management estimates.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Associated Students' financial statements and notes for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2019 summarized financial statements in order for them to conform to current year presentation. These reclassifications had no effect on the change in net assets.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 3 - INVESTMENTS

At June 30, 2020, Investments consist of the following:

Cash and Money Market Funds	\$ 72,786
Corporate Bonds and Municipal Bonds	750,461
Local Agency Investment Fund	<u>18,715,748</u>
	<u>\$ 19,538,995</u>

Net investment income for the year ended June 30, 2020 was comprised of net realized and unrealized gain on investments of \$2,855, management fee of \$(1,993), interest on student fees of \$87,897, and interest on investments of \$383,335.

The LAIF is a voluntary program created by statute that began in 1977 as an investment for California's local governments and special districts. The program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff. Participating agencies can withdraw their funds from the LAIF at any time. Participating agencies' portions of the fund are held at fair value using net asset value ("NAV") information provided by LAIF.

NOTE 4 - FAIR VALUE MEASUREMENT

At June 30, 2020, the Associated Students' investments consist of cash and money market funds of \$72,786 and the following assets which are classified by level within the valuation hierarchy on a recurring basis at June 30, 2020, as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>NAV</u>	<u>Total</u>
Corporate Bonds	\$ 597,246	\$ 153,215	\$ -	\$ 750,461
Local Agency Investment Fund	<u>-</u>	<u>-</u>	<u>18,715,748</u>	<u>18,715,748</u>
	<u>\$ 597,246</u>	<u>\$ 153,215</u>	<u>\$ 18,715,748</u>	<u>\$ 19,466,209</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2020 consist of:

Equipment, furniture and fixtures	\$ 855,151
Leasehold improvements	5,450,112
	<u>6,305,263</u>
Less: accumulated depreciation and amortization	<u>(6,110,055)</u>
	<u>\$ 195,208</u>

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 6 - RETIREMENT PLAN

All salaried employees are covered under an employer-sponsored 403(b) tax sheltered annuity plan, administered by the Variable Annuity Life Insurance Company. Contributions made by the Associated Students to this plan during the years ended June 30, 2020 and 2019 was \$248,253 and \$247,323, respectively.

NOTE 7 - EMPLOYEE BENEFITS PAYABLE

Prior to the merger with the Associated Students, the Student Center of San Francisco State University (the "Student Center") provided health care benefits to its active employees and retirees. The Board of Directors of the Student Center decided that coverage should be maintained and engaged an actuarial consultant to provide an estimate of the anticipated liability for coverage to the effected employees and retirees. The Associated Students did not provide similar coverage, and after June 30, 2014, active employees transferring employment to the Associated Students and retirees would no longer be eligible for that coverage. Effective January 1, 2018, the Associated Students changed its retirement plan to include post-retirement health care benefits for all employees of the Associated Students who vest. See Note 16 for the restatement of prior period financial statements. The present value of future expected healthcare benefits was calculated using actuarial assumptions based on the benefits provided, premium increases and assumptions disclosed in the tables below.

The following table provides a reconciliation of the changes in the employee benefits liability and the funded status at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Benefit obligation at beginning of year	\$ 5,084,302	\$ 4,093,652
Service cost	360,058	239,817
Interest cost	181,799	170,566
Actuarial loss	77,097	645,382
Benefits paid	<u>(68,682)</u>	<u>(65,115)</u>
Benefit obligation at end of year	5,634,574	5,084,302
Fair value of plan assets at beginning of year	-	-
Employer contributions	68,682	65,115
Benefits paid	<u>(68,682)</u>	<u>(65,115)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Unfunded benefit obligation at end of year	<u>\$ 5,634,574</u>	<u>\$ 5,084,302</u>

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

The following table provides the components of the net periodic benefit cost for the plan, which was included in total expenses in the statements of activities and change in net assets, for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Service cost	\$ 360,058	\$ 239,817
Interest cost	181,799	170,566
Amortization of prior service cost	<u>254,003</u>	<u>254,003</u>
Net periodic benefit cost	<u>\$ 795,860</u>	<u>\$ 664,386</u>

The following table provides plan items not yet recognized as a component of periodic plan expenses, but included as a separate charge to net assets at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Prior service cost	\$ 3,668,669	\$ 3,922,672
Actuarial loss	<u>453,485</u>	<u>376,388</u>
	<u>\$ 4,122,154</u>	<u>\$ 4,299,060</u>

The change in the prior service cost and the actuarial loss for the years ended June 30, 2020 and 2019 was \$(176,906) and \$391,379, respectively, which was recognized as a charge (credit) to net assets in the statements of activities and change in net assets. Prior service cost of \$254,003 is expected to be recognized as a component of net periodic benefit cost over the next fiscal year.

The following weighted-average assumptions for discount rate are used to determine benefit obligation at June 30, 2020 and 2019, and to determine net periodic benefit cost for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Discount rate for benefit obligation	2.8%	3.6%
Discount rate for net periodic benefit cost	3.6%	4.2%

Assumed health care cost trends at June 30, 2020 and 2019 for the net periodic benefit cost are as follows:

	<u>2020</u>	<u>2019</u>
Pre-Medicare	7.00%	7.25%
Post-Medicare	6.10%	6.30%
Ultimate rate	4.00%	4.00%
Year ultimate rate reached	2075	2075

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

The Associated Students estimates employer contributions of \$67,000 to be paid to the plan during the next fiscal year. Future benefit payments under the plan are as follows:

<u>Year ending June 30,</u>		
2021	\$	66,704
2022	\$	76,228
2023	\$	85,878
2024	\$	89,497
2025	\$	96,997
2026-2030	\$	557,240

NOTE 8 - CAPITALIZED LEASEHOLD IMPROVEMENTS AND LEASE OBLIGATION

The Associated Students had entered into a capitalized loan obligation transaction with related parties, the Franciscan Shops, Inc. and San Francisco State University Foundation, who financed the transaction as lessors with the Associated Students as lessee. To finance the transaction, the related parties assumed revenue bond financed debt which compounded to the amount of the capital lease obligation assumed by the Associated Students. The capitalized lease related to the construction costs (accounted for as leasehold improvements) of the Children's Center on land was leased from the Board of Trustees of the California State University (the "Trustees"). There was also a site lease and sublease with the related parties associated with the capitalized lease obligation transaction.

The Associated Students paid off its capital lease obligation (which also paid off the remaining revenue bond financed debt). Since the previously mentioned ground lease, site lease and sublease terminated with the payoff of the bonds, the Associated Students entered into a new facility lease with the Trustees for the facility of the Children's Center. The current term of facility lease agreement commenced December 2017 and runs through June 30, 2022. Total capitalized leasehold improvements were \$5,450,112 at June 30, 2020 and 2019. Accumulated amortization relating to the capitalized leasehold improvements was \$5,308,636 and \$5,216,023 at June 30, 2020 and 2019, respectively.

NOTE 9 - RELATED PARTIES

The Auxiliary Business Services Office of The University Corporation, San Francisco State (the "University Corporation") maintains the accounting records of the Associated Students and other campus auxiliary organizations. Operating costs for Auxiliary Business Services are allocated between such organizations based on usage. Fees for accounting services were \$514,014 for the year ended June 30, 2020.

In the normal course of business, the Associated Students conducts various transactions with the University and the other auxiliary organizations. Expense transactions amounted to \$1,154,183 for the year ended June 30, 2020. Included in this total are related party expenditures for year ended June 30, 2020, in the amount of \$69,754 for cost allocation reimbursement to the University for services provided to the auxiliaries.

Effective August 1, 2017, the Associated Students entered into an operating agreement and lease ("Master Lease") with the Board of Trustees ("Trustees") of the California State University, for the facilities and space that it utilizes in the Student Center. The term of the Master Lease is August 1, 2017 to July 31, 2024. The Associated Students will share usage with the University Corporation, San Francisco State. For lease costs, the Associated Students is required to pay its share of the common area and facilities upkeep costs. For the year ended June 30, 2020, the Associated Students reimbursed the University \$761,419 for its 46% share of the Student Center.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

The University Corporation contributed \$45,672 to the Associated Students for the year ended June 30, 2020. The contribution represents the residual net rental income from the leasing operations managed by the University Corporation.

NOTE 10 - CONCENTRATION OF RISK

The Associated Students has defined its financial instruments which are potentially subject to risk as cash and investments in LAIF. LAIF is a special fund in the State Treasury created for the purpose of pooled investment of idle funds for local governmental and quasi-governmental entities. These funds are neither insured nor guaranteed by the United States or California governments. The Associated Students investments in LAIF were \$18,715,748 at June 30, 2020. At June 30, 2020, the Associated Students did not have cash deposits in excess of federally insured limits.

NOTE 11 - GOVERNING BOARD TRANSACTIONS

Compensation paid to student members of the Associated Students Governing Board for the year ended June 30, 2020 was \$219,639. These payments, which range from \$849 - \$1,486 per month, are included in the statement of activities and change in net assets as student government expenses.

NOTE 12 - ASSETS AND LIABILITIES RELATING TO CHILDREN'S CENTER FACILITY:

Assets and liabilities at June 30, 2020 relating to the Children's Center operations consisted of the following:

Assets:	
Cash interfund	\$ 3,668,315
Capitalized leasehold improvements	141,475
	<u>\$ 3,809,790</u>
Net assets:	
Without donor restrictions	\$ 3,809,790
	<u>\$ 3,809,790</u>

NOTE 13 - FUNCTIONAL EXPENSES AND NATURAL ACCOUNT

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable and equitable basis which is determined by management. The expenses that are allocated include and the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Percentage share
Office and occupancy	Percentage share
Professional services	Percentage share
Depreciation	Specific location

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

An analysis of expenses by both natural classification and functional classification for the year ended June 30, 2020 follows:

	Program Activities				Supporting Activities			Total Expenses
	Student Services	Student Government	Community Services	Student Organizations	Programs Subtotal	Management and General	Supporting Subtotal	
Salaries and benefits	\$ 3,085,272	\$ 254,733	\$ 501,007	\$ 164,939	\$ 4,005,951	\$ 1,858,704	\$ 1,858,704	\$ 5,864,655
Grants to other organizations	112,057	-	-	-	112,057	-	-	112,057
Supplies and travel	190,252	49,421	29,997	28,340	298,010	162,741	162,741	460,751
Services and professional fees	225,593	339,528	126,456	103,215	794,792	1,015,955	1,015,955	1,810,747
Office and occupancy	76,938	17,781	38,847	17,274	150,840	86,633	86,633	237,473
Depreciation	96,100	3,486	3,486	3,486	106,558	13,943	13,943	120,501
Total expenses	\$ 3,786,212	\$ 664,949	\$ 699,793	\$ 317,254	\$ 5,468,208	\$ 3,137,976	\$ 3,137,976	\$ 8,606,184

NOTE 14 - LIQUIDITY

Financial assets at the statement of financial position date available to meet general expenditures within one year of the statement of financial position date include:

Cash and cash equivalents	\$ 139,988
Short term investments	19,125,524
Receivables	<u>3,367,743</u>

Financial assets available to meet general expenditures over the next twelve months \$ 22,633,255

The Associated Students has \$22,633,255 of financial assets available within one year of the statement of financial position at June 30, 2020 consisting of cash of \$139,988, receivables and other assets of \$3,367,743, and short-term investments of \$19,125,524. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position ended June 30, 2020. The Associated Students maintains financial assets, which consist of cash and short-term investments, on hand as part of its operating reserves to meet six months of normal operations. The Associated Students uses normal revenue generated from programs to meet normal operating expenses, which are, on average, approximately \$311,300 (unaudited) per month. As part of its liquidity management, The Associated Students invests cash in excess of daily requirement in various short-term investments including the LAIF.

NOTE 15 - SUBSEQUENT EVENTS

The Associated Students evaluated subsequent events through October 6, 2020, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

The global pandemic due to COVID-19 has had significant impact to the Associated Students with the University moving to remote modalities, which suspended in-person classes, activities and programs. The Associated Students' main source of revenue is student fees and any reduction or return of these fees as a result of the pandemic would have a detrimental effect to the Associated Students' operations and sustainability. The Associated Students also expects that COVID-19 might have some impact to expected future performance and future asset valuations. Currently, management is exploring the renovation of office space to accommodate social distancing once the campus reopens. Management is also assessing the financial implications of COVID-19 while employees are working remotely.

Management continues to evaluate the impact of COVID-19 on its operations and has determined that the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 16 – RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

The 2019 summarized financial statements have been restated to reflect an adjustment to employee benefits liability due to a change effective on January 1, 2018, in the Associated Students retirement plan to include post-retirement health care benefits for all employees who vest. This resulted in both retirees of the former Student Center and employees of the Associated Students becoming part of the post-retirement health care benefit plan effective January 2018. However, the additional eligible employees were not included in the actuarial valuation to calculate the present value of future expected post-retirement health care benefits at June 30, 2019 and 2018. The effect of the correction on each financial statement line item on the 2019 summarized financial statements and the cumulative effect of the change on net assets in the statement of financial position as of the beginning of the earliest period presented follows:

	June 30, 2019, as previously reported		Restatements		June 30 2019, as restated
Statement of activities and change in net assets:					
Management and general expenses	\$ 3,458,569	\$	124,416	\$	3,582,985
Change in employee benefits liability	\$ -	\$	391,379	\$	391,379
Change in net assets	\$ 1,004,554	\$	(515,795)	\$	488,759
Net assets, June 30, 2018	\$ 18,962,883	\$	(3,085,647)	\$	15,877,236
Statement of financial position:					
Employee benefits payable	\$ 1,482,860	\$	3,601,442	\$	5,084,302
Net assets	\$ 19,967,437	\$	(3,601,442)	\$	16,365,995

GRANT THORNTON LLP

101 California Street, Suite 2700
San Francisco, CA 94111

D +1 415 986 3900

F +1 415 986 3916

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Associated Students of San Francisco State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students (Associated Students), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 6, 2020.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the Associated Students' internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Associated Students' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Associated Students' financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a material weakness in the Associated Students' internal control.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Associated Students' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Associated Students' response to findings

The Associated Students' response to our finding, which is described in the accompanying schedule of findings and responses, was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the Associated Students' response.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Associated Students' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Associated Students' internal control and compliance. Accordingly, this report is not suitable for any other purpose.



San Francisco, California
October 6, 2020

Associated Students of San Francisco State University

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2020

Item 2020-001 - Actuarial Valuation of the Post-retirement Health Care Benefit Plan as of June 30, 2019 and 2018

Criteria or specific requirement:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. Although management can engage a 3rd party expert or actuary to assist in the valuation of the employee benefits liability for the post-retirement health care benefit plan, this valuation is ultimately management's responsibility. Accordingly, management is responsible for providing the actuary with all the relevant information that is complete and accurate.

Condition:

During the audit of the employee benefits liability, it was noted that the liability increased significantly by \$4 million from 2019. Upon further inquiry and discussions with management, it was determined that a plan change occurred effective on January 1, 2018, making all active employees of the Associated Students eligible for the post-retirement health care benefits. Since the plan change occurred in 2018, it was further determined that the change should have been made in 2018.

Context:

While management engages an expert to perform the actuarial valuation, the actuary's work is greatly affected by the information provided by management. Although an actuary is engaged, the responsibility for the fair presentation of the employee benefits liability in the financial statements still rests on management. Therefore, providing accurate and complete information to the actuary is an important component to having a fair actuarial valuation.

Cause:

Management identified two issues that led to this error:

- The Cesar Chavez Student Center auxiliary offered post-retirement health care benefits to its employees, resulting in the recognition of an employment benefit liability that was adjusted on an annual basis based on the actuarial valuation report. With the merger of the Student Center with and into the Associated Students in 2014, the employee benefit liability was assumed by the Associated Students, but no similar benefit was provided to existing employees of the Associated Students upon the merger. The University Corporation, an affiliate that maintains the books and records of the Associated Students and prepares its annual financial statements, believed that this population of eligible employees would not change, as it only pertained to the employees from the Student Center. Further, the actuary did not fully understand the population of employees had changed until 2020 when they received full employee records from the Associated Students' new Human Resource Director. The University Corporation did not realize the change until the report was received in 2020 from the actuary with the significant adjustment and upon further inquiry as to why such a large adjustment had occurred.

Associated Students of San Francisco State University

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2020

- The Associated Students has had several changes in key leadership positions. In 2019, the Associated Students' Associate Executive Director, who handles fiscal matters, including retirement benefits and related reporting, left the organization. The Human Resource Director assumed responsibility of providing information to the actuary in 2019. Based on her understanding of the retirement policy, she submitted an accurate list of employees who would be eligible for this benefit, upon retirement, to the actuary. As this was the Human Resource Director's first year providing this information, the current management team of the Associated Students did not realize this would be a significant change in eligibility.

Effect:

The above condition resulted in a material misstatement in prior year financial statements. As a result of further analysis and discussions with management, a restatement of the comparative information in the 2020 financial statements would have to be made to correct the material error.

Recommendation:

It is recommended that management provide accurate and complete information to the actuary that pertains to the employee benefit plan and is relevant to the actuary's valuation work. Further, management should also inform the University Corporation, the affiliate that handles its accounting and financial reporting, of any transactions, events, resolutions and actions by the Board of Directors and management that would have accounting and financial reporting relevance, so that these will be given appropriate accounting attention timely.

Views of responsible officials and planned corrective actions:

To avoid a similar issue in the future, management suggests the following:

- Continue to provide accurate documentation to the actuary that reflects the intention of the Associated Students' post-retirement benefit program; and
- Management will provide the University Corporation with all resolutions by the Board of Directors in order to track and review Board actions taken by the Associated Students to better identify actions that would require accounting actions.

SUPPLEMENTARY INFORMATION

Associated Students of San Francisco State University

SCHEDULE OF NET POSITION

June 30, 2020

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	139,988
Short-term investments		19,125,524
Accounts receivable, net		3,359,743
Capital lease receivable, current portion		-
Notes receivable, current portion		8,000
Pledges receivable, net		-
Prepaid expenses and other current assets		1,815

Total current assets

22,635,070

Noncurrent assets:

Restricted cash and cash equivalents		-
Accounts receivable, net		-
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		413,471
Capital assets, net		195,208
Other assets		-

Total noncurrent assets

608,679

Total assets

23,243,749

Deferred outflows of resources:

Unamortized loss on debt refunding		-
Net pension liability		-
Net OPEB liability		-
Others		-

Total deferred outflows of resources

\$ -

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

SCHEDULE OF NET POSITION

June 30, 2020

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	\$	201,829
Accrued salaries and benefits		46,531
Accrued compensated absences, current portion		-
Unearned revenues		-
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		86,700
		86,700

Total current liabilities 335,060

Noncurrent liabilities:

Accrued compensated absences, net of current portion		300,670
Unearned revenues		95,220
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		5,634,574
Net pension liability		-
Other liabilities		-
		-

Total noncurrent liabilities 6,030,464

Total liabilities 6,365,524

Deferred inflows of resources:

Service concession arrangements		-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		-

Total deferred inflows of resources -

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

SCHEDULE OF NET POSITION

June 30, 2020

(for inclusion in the California State University)

Net position:		
Net investment in capital assets	\$	-
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		<u>16,878,225</u>
Total net position	\$	<u><u>16,878,225</u></u>

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University
Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2020
(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	6,787,049
Scholarship allowances (enter as negative)	-

Grants and contracts, noncapital:

Federal	285,320
State	103,079
Local	93,956
Nongovernmental	100,200
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	1,018,298

Total operating revenues

8,387,902

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	5,249,593
Institutional support	2,949,368
Operation and maintenance of plant	174,665
Student grants and scholarships	112,057
Auxiliary enterprise expenses	-
Depreciation and amortization	120,501

Total operating expenses

8,606,184

Operating income (loss)

(218,282)

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	81,512
Investment income (loss), net	472,094
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	176,906

Net nonoperating revenues (expenses)

730,512

Income (loss) before other revenues (expenses)

512,230

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>512,230</u>

Net position:

Net position at beginning of year, as previously reported	19,967,437
Restatements	(3,601,442)
Net position at beginning of year, as restated	<u>16,365,995</u>
Net position at end of year	<u><u>16,878,225</u></u>

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	139,988
\$	139,988

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	\$ 72,786		72,786
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds	336,990	413,471	750,461
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	18,715,748		18,715,748
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
			-
			-
			-
			-
			-
			-
			-
Total Other investments	-	-	-
Total investments	19,125,524	413,471	19,538,995
Less endowment investments (enter as negative number)			-
Total investments, net of endowments	\$ 19,125,524	413,471	19,538,995

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 72,786	72,786			
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	750,461	597,246	153,215		
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	-				
Exchange traded funds	-				
Equity securities	-				
Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-				
State of California Local Agency Investment Fund (LAIF)	18,715,748				18,715,748
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:	-				
	-				
	-				
	-				
	-				
	-				
Total Other investments	\$ -	-	-	-	-
Total investments	19,538,995	670,032	153,215	-	18,715,748

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements			\$ -
e.g - CSU Consolidated Investment Pool (formerly SWIFT):			-

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements					\$ -				\$ -
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
Total Other intangible assets					-				-
Total intangible assets					-				-
Total non-depreciable/non-amortizable capital assets	\$ -				\$ -				\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements	5,450,112				5,450,112				5,450,112
Personal property:									
Equipment	855,151				855,151				855,151
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
Total Other intangible assets:					-				-
Total intangible assets					-				-
Total depreciable/amortizable capital assets	6,305,263				6,305,263				6,305,263
Total capital assets	\$ 6,305,263				\$ 6,305,263				\$ 6,305,263
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements	(5,216,023)				(5,216,023)	(92,613)			(5,308,636)
Personal property:									
Equipment	(773,531)				(773,531)	(27,888)			(801,419)
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
Total Other intangible assets:					-				-
Total intangible assets					-				-
Total accumulated depreciation/amortization	(5,989,554)				(5,989,554)	(120,501)			(6,110,055)
Total capital assets, net	\$ 315,709				\$ 315,709	(120,501)			195,208

See accompanying report of independent certified public accountants.

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 120,501
Amortization expense related to other assets	
Total depreciation and amortization	\$ 120,501

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 202,241		202,241	98,429		\$ 300,670		\$ 300,670
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-	-	-
4.2 Commercial paper	-		-			-	-	-
4.3 Notes payable (SRB related)	-		-			-	-	-
4.4 Others:	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	\$ -	-	-	-	-	-	-	-
Total long-term liabilities	\$ 202,241	-	202,241	98,429	-	\$ 300,670	-	\$ 300,670

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
Thereafter			-			-			-
Total minimum lease payments	\$	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
Thereafter			-			-			-
Total minimum payments	\$	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									\$ -

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020
(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	1,154,183
Payments received from University for services, space, and programs	7,434,164
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University	(78,895)
Other amounts (payable to) University	
Accounts receivable from University	130,605
Other amounts receivable from University	

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

		Debit/(Credit)
Restatement #1	To account for prior period adjustment related to OPEB Liab.	
	Unrestricted	3,601,442
	Net other postemployment benefits liability	(3,601,442)
		-
Restatement #2	Enter transaction description	
		-

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020

(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	3,342,979	699,001	183,613	-	-	1,024,000	-	5,249,593
Institutional support	686,986	952,549	52,963	-	-	1,256,870	-	2,949,368
Operation and maintenance of plant	122,861	31,665	11,678	-	-	8,461	-	174,665
Student grants and scholarships	-	-	-	-	112,057	-	-	112,057
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	120,501	120,501
Total operating expenses	\$ 4,152,826	1,683,215	248,254	-	112,057	2,289,331	120,501	8,606,184

See accompanying report of independent certified public accountants.

Associated Students of San Francisco State University

OTHER INFORMATION

June 30, 2020

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)

Deferred outflows - net pension liability

Deferred outflows - net OPEB liability

Deferred outflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

Total deferred outflows - others

Total deferred outflows of resources

	-
	-
\$	-

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements

Deferred inflows - net pension liability

Deferred inflows - net OPEB liability

Deferred inflows - unamortized gain on debt refunding(s)

Deferred inflows - nonexchange transactions

Deferred inflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

Total deferred inflows - others

Total deferred inflows of resources

	-
	-
\$	-

See accompanying report of independent certified public accountants.